

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS  
MORTGAGE BROKER  
LICENSING  
Docket No. 2020-009

---

In the Matter of	)	
LIBERTY LENDING CORPORATION	)	
Brockton, Massachusetts	)	CONSENT ORDER
	)	
Mortgage Company License No. MB5453	)	

---

WHEREAS, LIBERTY LENDING CORPORATION, (Liberty Lending or the Corporation), a licensed mortgage broker under Massachusetts General Laws chapter 255E, section 2, has been advised of its right to Notice and Hearing pursuant to General Laws chapter 255E, section 7(a), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with representatives of the Division of Banks (Division) dated May 6, 2021, whereby, solely for the purpose of settling this matter, and without admitting any allegations or implications of fact or the existence of any violation of state or federal laws and regulations governing the conduct and operation of a mortgage broker, Liberty Lending agrees to the issuance of this CONSENT ORDER (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, an examination of Liberty Lending was conducted pursuant to General Laws chapter 255E, section 8 as of November 14, 2019 to assess the Corporation's level of compliance with applicable Massachusetts and federal statutes, rules, and regulations governing the conduct of those engaged in the business of a mortgage broker in the Commonwealth;

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's examination alleged substantial non-compliance with applicable statutes, rules, and regulations governing the conduct of those engaged in the business of a mortgage broker in Massachusetts; and

WHEREAS, the parties now seek to resolve by mutual agreement, the matters identified in the Report.

### ORDER

NOW COME the parties in the above-captioned matter, the Division and Liberty Lending, and stipulate and agree as follows:

1. The Corporation shall submit a revised written profit plan, consisting of goals and strategies for providing the foundation for improved profitability.

(a) The written profit plan shall include:

- (i) identification of the major areas in, and means by which, management will seek to improve Liberty Lending's operating performance and earnings;
- (ii) a description of the operating assumptions that formed the basis for, and adequately supported, major projected income and expense components; and
- (iii) a statement of the President's commitment to the continued maintenance of acceptable levels of liquidity and capital, and maintenance of the net worth required pursuant to the Division's regulation 209 CMR 42.05.

(b) Performance under the written profit plan shall be reported to the Division and submitted with the quarterly progress reports prepared pursuant to Section 5 of this Consent Order.

2. Liberty Lending shall establish, implement, and maintain policies and procedures to ensure that the Corporation secures and maintains all books, records, and accounts in a manner

that will allow the Commissioner to determine whether the Corporation is complying with applicable provisions laws and regulations, in compliance with the requirements of Massachusetts General Laws chapter 255E, section 8 and the Division's regulation 209 CMR 42.09.

- (a) Liberty Lending shall implement procedures to ensure that Mortgage Call Reports, and any other reports which are completed by the Corporation and submitted to the Division, are accurate and reliable accounts of the reported conditions and/or transactions.
  - (b) Liberty Lending shall establish, implement, and maintain procedures to ensure that the Corporation is capable of compiling and generating a complete loan list that accurately reflects all information pertaining to loan applications originated by the Corporation.
  - (c) Liberty Lending shall maintain procedures to ensure that the Corporation fully implements its Written Information Security Program (WISP), including but not limited to, ensuring the security of the Corporation's electronic records.
3. Liberty Lending shall establish and implement written policies and procedures designed to strengthen its compliance management program and ensure that the Corporation is capable of effectively addressing the deficiencies and violations referenced in the Report.
4. Liberty Lending shall address all matters requiring attention set forth in the Report within the time-frames contained therein. Liberty Lending shall also implement all corrective actions described in the Report that are not specifically addressed by this Consent Order.
- (a) Liberty Lending shall establish, implement, and maintain procedures and policies to ensure that all applicable personnel receive adequate instruction and ongoing, periodic training to ensure proper implementation and execution of

the revised practices and procedures implemented pursuant to this Consent Order.

5. On the thirtieth (30th) day after the end of each calendar quarter following the date of this Consent Order, Liberty Lending shall furnish written progress reports to the Division via secure email to [DOBProgressReport@mass.gov](mailto:DOBProgressReport@mass.gov). Such progress reports shall detail the form, content, and manner of any actions taken to address each section of this Consent Order and all required corrective actions described in the Report. Each progress report submitted to the Division pursuant to this Section of the Consent Order shall be reviewed and signed by a duly authorized officer of the Corporation.

6. Nothing in this Consent Order shall be construed as permitting Liberty Lending to violate any law, rule, regulation, or regulatory bulletin to which Liberty Lending is subject.

7. In consideration of the foregoing Consent Order, the Division agrees not to pursue formal measures, relative to this matter, to suspend or revoke Liberty Lending's mortgage broker license under General Laws chapter 255E, section 6, while this Consent Order is in effect, but subject to the provision so Section 8 of this Consent Order.

8. Failure to comply with the terms of this Consent Order shall constitute grounds for license suspension and/or revocation, or other formal regulatory action pursuant to applicable provisions of the General Laws of the Commonwealth of Massachusetts.

9. This Consent Order shall become effective immediately upon the date of its issuance.

10. The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Consent Order shall have been modified, terminated, suspended, or set aside by the Commissioner or upon an Consent Order of a court of competent jurisdiction.

11. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter. This Consent Order supersedes and replaces any other existing agreements or informal regulatory actions between the Division and Liberty Lending.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 6<sup>th</sup> day of May, 2021.

By: /s/ Mary L. Gallagher  
Mary L. Gallagher  
Commissioner of Banks